

MINUTES  
STATE BUILDING COMMISSION MEETING  
EXECUTIVE SUB-COMMITTEE

OCTOBER 25, 2004

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

**STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT**

John Morgan, Comptroller of the Treasury  
Dale Sims, State Treasurer  
Riley Darnell, Secretary of State

**STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT**

Dave Goetz, Commissioner, Department of Finance and Administration

**OTHERS PRESENT**

Mike Fitts, State Architect  
Charles Garrett, Department of Finance and Administration  
Gloria Rittenberry, Department of Finance and Administration  
Jurgen Bailey, Department of Finance and Administration  
Charles Harrison, Comptroller's Office  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Dennis Raffield, THEC  
George Brummett, Department of Finance and Administration  
Jan Sylvis, Department of Finance and Administration  
Annette Crutchfield, Legislative Budget  
John Lamar, Department of Revenue  
Myles Voce, Department of Revenue  
Jim Fyke, Department of Environment and Conservation  
Kim Kirk, Department of Environment and Conservation

Paul Evan Davis, Department of Environment and Conservation  
Franklin County Mayor Adams  
Tim Gilbert, TVA  
Mark Sturtevant, Greenhouse Development  
Jerry Preston, Tennessee Board of Regents  
Bob King, Department of Finance and Administration  
Jerry Adams, Department of Finance and Administration  
Jerry Lee, Department of Finance and Administration

Comptroller Morgan called the meeting to order at 10:45 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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## TENNESSEE BOARD OF REGENTS

### LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Rutherford County – 0.48 +/- Acres with Improvements – 211 North Tennessee Boulevard, Murfreesboro, TN – Trans. No. 04-09-006 (LW)</u></b>
Purpose:	Acquisition in Fee of property within the Middle Tennessee State University Master plan and will be used for academic support for the University.
Source of Funding:	University Plant/Other Funds
Estimated Cost:	Fair Market Value
Owner(s):	Carl and Georgia Buckner
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee with recommendation.
SC Action:	10-15-04. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL at Less Than Fair Market Value of real property as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Putnam County – 1.057 +/- Acres with Improvement – 265 West Spring Street, Cookeville, TN – Trans. No. 04-01-008 (LW)</u></b>
Purpose:	Disposal in Fee at Less than Fair Market Value to the highest bidder.
Original Cost to State:	\$13,000.00 - Land
Date of Original Conveyance:	August 1965
Grantor Unto State:	Cookeville Housing Authority
Sale Price:	\$251,000.00 – Highest Bid \$282,500.00 – Appraised Value
Grantee:	Paul Gaw
Comment:	Previous Sub-committee action of February 24, 2004 approved disposal of real property and improvements at fair market value. The property was advertised two times and the highest bid was received from Paul Gaw. The repair settlement is estimated to be approximately \$34,000.00.
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. He advised that the transaction was advertised twice and that the highest bid received is \$251,000.00. He also advised that repairs are estimated to be approximately \$34,000.00. Mr. Bailey advised that the property has been marketed very aggressively and recommends disposal at less than fair market value. Staff referred to Sub-committee with recommendation.
SC Action:	10-25-04. Charles Garrett summarized the transaction and requested approval of the request for disposal at the highest bid of \$251,000.00. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONVERSATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Franklin County – 178.0 +/- Acres – Fanning Bend, Tims Ford Reservoir – Trans. No. 04-09-005 (GM)</u></b>
Purpose:	Disposal in Fee for development purposes.
Date of Original Conveyance:	April 1996 – Legislative Act
Grantor Unto State:	Tennessee Elk River Development Agency
Estimated Sale Price:	\$1,600,000.00
Grantee:	The Greenhouse Development, LLC
Comment:	The transaction was advertised with a minimum bid of \$1,540,370.00 and one bid was received for \$1,600,000.00
SSC Report:	10-18-04. Jurgan Bailey summarized the transaction. Paul Evan Davis stated that eight (8) letters of intent were received in response to the request for proposals. Deputy Commissioner Fyke stated the proposed Grantee meets all the requirements and that the project will be a 3-phase project to be completed in a four to six year period. Staff referred to Sub-committee with recommendation.
SC Action:	10-25-04. Charles Garrett summarized the transaction and recognized Deputy Commissioner Fyke. Mr. Fyke recognized Paul Evan Davis for an overview of the project. Mr. Davis gave a presentation of the projects requirements and the proposal received in response to the request. He stated that the proposed Grantee meets all the requirements and criteria of the project and recommended approval. Sub-committee received the overview and approved the project as presented. Final action.

DEPARTMENT OF REVENUE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 1321 Murfreesboro Road, Nashville, TN – Trans. No. 04-02-917 (JS)**

Purpose: To provide office and related space for Tax Enforcement, Taxpayer Service, and Field Audit operations

Term: January 1, 2005 thru December 31, 2009 (5 yrs.)

Proposed Amount: 14,260 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$174,000.00 @\$12.20/sf  
Total Annual Effective Cost: \$174,000.00 @\$12.20/sf

Current Amount: 14,260 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$178,250.00 @\$12.50/sf  
Total Annual Effective Cost: \$178,250.00 @\$12.50/sf

Type: New Lease – Advertisement – Second lowest of (11) Proposals from (5) Proposers

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: Airport Plaza, LLC, Current Lessor

Comment: The proposed lease provides (1) the Lessor will make tenant improvements at no additional cost to the State and (2) no cancellation during the entire lease term except for cause and/or lack of funding.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 10-25-04. Charles Garrett summarized the transaction. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(4) and 12-2-115:

Location: **White County – 1060 Golden Mountain Road, Sparta, TN**

Purpose: To provide a residential transition facility for the Division of Mental Retardation Services in Middle Tennessee

Term: November 1, 2004 thru October 31, 2009 (5 yrs.)

Proposed Amount: 5,280 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$66,996.00 @\$12.69/sf  
Total Annual Effective Cost: \$66,996.00 @\$12.69/sf

Current Amount: None

Type: New Lease – Negotiated

Purchase Option: Yes – Years (1) thru (5)

Lessor: Satellite Homes, Inc.

Comment: The proposed lease will be a transition facility used for individuals from the Cumberland Plateau area and those leaving Middle Tennessee Heath Institute. The length of stay for individuals residing in the proposed facility will be two to six months until permanent housing and services are established. The home will include 24-hour staff, psychiatry, psychological, and nursing service. Janitorial functions performed by clients of the facility.

SSC Report: 10-18-04. Bob King summarized the transaction. Bob King presented photographs of the facility that indicated the facility has special and unique attributes for the services to be provided. Agency representatives provided information as to the services to be provided. Agency stated that the facility will serve individuals leaving the Middle Tennessee Mental Health Institute and citizens of the Cumberland Plateau in much need of services. After further discussion, Staff referred to Sub-committee with recommendation.

SC Actin: 10-25-04. Charles Garrett summarized the transaction. He advised that the facility was originally built for this purpose. He stated an appropriation for purchase will be in the capital budget. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and ONE (1) APPRAISAL with APPROVAL of RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Shelby County – 0.764 +/- Acres – Corner of Hacks Cross Road and State Route 385 Ramp (Nonconnah Parkway), Memphis, TN – Trans No. 03-06-005 (BM)</u></b>
Purpose:	Disposal by Easement for the purpose of extending overhead electric transmission lines across state right-of-way.
Consideration:	Fair Market Value
Grantee:	Memphis Light, Gas & Water (MLGW)
Comment:	Previous Sub-committee action on July 21, 2003 was for disposal by lease at fair market value.
SC Action:	10-25-04. Charles Garrett summarized the transaction. Sub-committee approved the disposal by easement at fair market value. Final action.

STATE BUILDING COMMISSION

**MINUTES OF MEETING OF EXECUTIVE SUBCOMMITTEE**

- 1) Approved the Minutes of the SBC Executive Subcommittee meeting held on September 20, 2004.

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Following approval of the Consent Agenda, the meeting adjourned at 11:05 a.m.



CONSENT AGENDA

- A. Agency: **University of Tennessee – Knox County**  
Transaction: Acquisition in Fee  
Provision: Demolition of Improvement
- B. Agency: **University of Tennessee – Knox County**  
Transaction: Acquisition in Fee  
Provision: Demolition of Improvement
- C. Agency: **Mental Health & Developmental Disabilities – Shelby County**  
Transaction: Disposal – Lease Amendment  
Provision: Waiver of Advertisement and Appraisals
- D. Agency: **Department of Transportation – Bradley County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement
- E. Agency: **Department of Agriculture – Marion County**  
Transaction: Acquisition in Fee
- F. Agency: **TN Wildlife Resources Agency – Campbell County**  
Transaction: Disposal by Easement  
Provision: Waiver of Advertisement and Appraisals
- G. Agency: **TN Wildlife Resources Agency – Obion County**  
Transaction: Acquisition in Fee
- H. Agency: **Environment & Conservation – Madison County**  
Transaction: Lease Agreement
- I. Agency: **Board of Probation & Parole – Sullivan County**  
Transaction: Lease Agreement
- J. Agency: **TN Housing Development Agency – Davidson County**  
Transaction: Lease Agreement
- K. Agency: **Department of Children’s Services – Hamilton County**  
Transaction: Lease Amendment
- L. Agency: **Department of Children’s Services – Montgomery County**  
Transaction: Lease Agreement
- M. Agency: **Department of Human Services – Campbell County**  
Transaction: Lease Agreement

- N.     Agency:     **Department of Human Services – Putnam County**  
       Transaction:     Lease Agreement
- O.     Agency:     **Finance & Administration – Hickman County**  
       Transaction:     Lease Agreement – Human Services and Children's Services
- P.     Agency:     **Finance & Administration – White County**  
       Transaction:     Lease Agreement – Division of Mental Retardation Services  
       Provision:     Waiver of Advertisement

A.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL to DEMOLISH Improvements:

Description:	<b><u>Knox County – 0.17 +/- Acres with Improvement - 2108 Terrace Avenue, Knoxville, TN – Trans. No. 04-09-007 (GM)</u></b>
Purpose:	Acquisition in Fee of property within the Master Plan for the Knoxville campus.
Source of Funding:	Land Acquisition Funds
Estimated Cost:	Fair Market Value
Owner(s):	Dennis L. McCorkle
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the TN Historical Commission review of the improvement proposed for demolition.
SC Action:	10-25-04. Sub-committee approved the transaction subject to the TN Historical Commission review. Final action.

UNIVERSITY OF TENNESSEE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired and APPROVAL to DEMOLISH Improvements:

Description:	<b><u>Knox County – 0.17 +/- Acres with Improvements – 2126 Terrace Avenue, Knoxville, TN – Trans. No. 04-09-008 (GM)</u></b>
Purpose:	Acquisition in Fee of property within the Master Plan for the Knoxville campus.
Source of Funding:	Land Acquisition Funds
Estimated Cost:	Fair Market Value
Owner(s):	James Robert Keller
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda subject to the TN Historical Commission review of the improvement proposed for demolition.
SC Action:	10-25-04. Sub-committee approved the transaction subject to the TN Historical Commission review. Final action.

C.

DEPARTMENT OF MENTAL HEALTH & DEVELOPMENTAL DISABILITIES

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE AMENDMENT in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Shelby County – 0.25 +/- Acres – Memphis Mental Health Institute – Trans. No. 04-10-001 (LW)</u></b>
Purpose:	Disposal Lease Amendment to extend the current lease to June 2005 for continued operations of the Youth Habilitation Center.
Extension Period::	November 1, 2004 thru June 30, 2005 (8 mos.)
Consideration:	\$7,936.87 Per Month \$1,400.63 Utilities Per Month
Lessee:	Juvenile Court of Memphis and Shelby County
Comment:	Current lease period began November 1, 1999 and will expire October 31, 2004. The Juvenile Court has been working with Shelby County government in development of a new site for the Youth Habilitation Center. The new site will be ready for occupancy approximately May of 2005.
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	10-25-04. Sub-committee approved the transaction as presented. Final action.

D.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Bradley County – 0.253 +/- Acres – Intersection of SR 2 and Old Lee Highway, Cleveland, TN – Trans. No. 04-09-001 (BM)</u></b>
Purpose:	Disposal in Fee of surplus right-of-way to the only adjoining property owner for assemblage purposes.
Original Cost to State:	\$26,200.00 – 2.91 Acres
Date of Original Conveyance:	May 1961
Grantor Unto State:	T. Lloyd and Mattie McLain
Estimated Sale Price:	Fair Market Value
Grantee:	Ronald Moreland, Only Adjoining Property Owner
SSC Report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	10-25-04. Sub-committee approved the transaction as presented. Final action.

E.

DEPARTMENT OF AGRICULTURE

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Marion County – 769.0 +/- Acres (378.5 +/- in Fee and 390.4 +/- a Conservation Easement)– McGlothlin Forest Legacy Project, Prentice Cooper State Forest – Trans. No. 04-09-009 (CH)</u></b>
Purpose:	Acquisition in Fee to provide protection and conservation of valuable natural resources.
Source of Funding:	\$810,500.00 – Forest Legacy Program \$112,500.00 – State Land Acquisition Fund \$453,000.00 – Tennessee River Gorge Trust Donation
Estimated Cost:	Fair Market Value
Owner(s):	Tennessee River Gorge Trust
SSC report:	10-18-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	10-25-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Campbell County – 0.25 +/- Acres with Access – Royal Blue Wildlife Management Area – Trans. No. 04-09-010 (CH)</u></b>
Purpose:	Disposal by Easement to provide a 911 communication tower with ingress and egress for use of an existing road.
Estimated Sale Price:	Grant – Public Benefit
Grantee:	Campbell County
SSC report:	10-18-04. Jurgan Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	10-25-04. Sub-committee approved the transaction as presented. Final action.



TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Obion County – 193.4+/- acres – Reelfoot Lake - Trans. No. 03-06-013 (CH)</u></b>
Purpose:	Acquisition in Fee for the preservation of wetlands.
Source of Funding:	State Wetland Acquisition Funds
Estimated Cost:	\$342,000.00
Owner(s):	The Conservation Fund
SSC Report:	07/14/03. Jurgen Bailey stated the Conservation Fund has owned the property since 1999 and acquired the property from the Milton Hamilton family who has owned the property since 1955. This transaction has been a priority for the agency for several years. Staff referred to Sub-committee for discussion.
SSC Report:	12-08-03. Charles Garrett advised the transaction is deferred.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for discussion.
SC Action:	9-20-04. Charles Garrett presented a history of the transaction. After review and discussion, the request was deferred.
SSC Report:	10-18-04. Jurgen Bailey summarized previous action. Staff referred to Sub-committee for consent agenda.
SC Action:	10-25-04. Sub-committee approved the transaction as presented. Final action.

H.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Madison County – 1651 Hollywood Drive, Jackson, TN – Trans. No. 03-11-902 (TH)**

Purpose: To provide office and related space for the Jackson Environmental Assistance Center

Term: January 1, 2006 thru December 31, 2015 (10 yrs.)

Proposed Amount: 19,985 Square Feet

Annual Contract Rent:	\$125,000.00	@\$6.25/sf
Est. Annual Utility Cost:	\$ 27,979.00	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 21,983.50</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$174,962.50	@\$8.75/sf

Current Amount: 14,400 Square Feet

Annual Contract Rent:	\$117,000.00	@\$ 8.13/sf
Est. Annual Utility Cost:	\$ 20,160.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 15,840.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$153,000.00	@\$10.63/sf

Type: New Lease – Advertisement – Lowest of (12) Proposals from (8) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None

Lessor: Dwight Hawks and Kathryn Tyler

Comment: The proposed lease provides (1) the Lessor will construct 19,985 square feet of office and related space, including interior build-out at no additional cost to the State and (2) no cancellation during the first (5) years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

BOARD OF PROBATION AND PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property required by TCA 12-2-115:

Location: **Sullivan County – 1329 Hwy. 394, Blountville, TN – Trans. No. 04-05-902 (JS)**

Purpose: To provide office and related space for local operations

Term: January 1, 2005 thru December 31, 2005 (1 yr.)

Proposed Amount: 5,619 Square Feet

Annual Contract Rent:	\$54,552.00	@ \$ 9.71/sf
Est. Annual Utility Cost:	\$ 7,866.60	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,180.90</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$68,599.50	@ \$12.21/sf

Current Amount: 5,619 Square Feet

Annual Contract Rent:	\$54,552.00	@ \$ 9.71/sf
Est. Annual Utility Cost:	\$ 7,866.60	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,180.90</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$68,599.50	@ \$12.21/sf

Type: Renewal – Negotiated

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None

Lessor: David K. Quillen, Current Lessor

Comment: Previous Sub-committee action on September 23, 2004 approved a negotiated one (1) year lease pending further review and analysis of the agency's long-term needs.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

TENNESEE HOUSING DEVELOPMENT AGENCY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 539 Myatt Drive, Madison, TN – Trans. No. 04-01-926 (JS)**

Purpose: To provide office and related space for the Section 8 Rental Assistance program.

Term: July 1, 2005 thru June 30, 2010 (5 yrs.)

Proposed Amount: 3,875 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$46,887.60 @\$12.10/sf  
Total Annual Effective Cost: \$46,887.60 @\$12.10/sf

Current Amount: 2,000 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$30,000.00 @\$15.00/sf  
Total Annual Effective Cost: \$30,000.00 @\$15.00/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (2) Proposers

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: Southern Woodenware, Inc.

Comment: The proposed lease provides (1) the Lessor will construct interior tenant improvements at no additional cost to the State and (2) no cancellation during the lease term except for cause and/or lack of funding.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

K.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following AMENDMENT to an INTER-AGENCY AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hamilton County – 744 McCallie Avenue, Chattanooga, TN – Trans. No. 04-07-905 (JS)**

Purpose: To provide additional space to relieve overcrowding and provide space for file storage and training and seminar materials.

Term: December 1, 2004 thru October 31, 2007 (2 yrs., 11 mos.)

Proposed Amount:	<u>8,225 Square Feet</u>		
	Annual Contract Rent		
	Incl. Utility & Janitorial Cost:	<u>\$72,795.00</u>	<u>@\$8.85/sf</u>
	Total Annual Effective Cost:	<u>\$72,795.00</u>	<u>@\$8.85/sf</u>

Current Amount:	<u>7,965 Square Feet</u>		
	Annual Contract Rent		
	Incl. Utility & Janitorial Cost:	<u>\$70,351.92</u>	<u>\$8.83/sf</u>
	Total Annual Effective Cost:	<u>\$70,351.92</u>	<u>\$8.83/sf</u>

Type: Amendment No. 2 – 260 Additional Square Feet

FRF Rate: \$16.00 Per Square Foot

Purchase Option: None – State-owned

Lessor: University of Tennessee at Chattanooga, Current Lessor

Comment: The 260 square feet of additional space is being added at the rate the previous tenant paid of \$2,443.92 per year or \$9.40 per square foot. Blended with the current amount, this raises the total annual effective cost from \$8.83 to \$8.85 per square foot. The Lessor will reopen two previously sealed doorways at no additional cost to the State.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Montgomery County – 350 Pageant Lane, Clarksville, TN – Trans. No. 04-02-909 (TH)**

Purpose: To provide office and related space for local operations

Term: January 1, 2005 thru December 31, 2009 (5 yrs.)

Proposed Amount: 18,204 Square Feet

Annual Contract Rent:	\$162,379.68	@ \$ 8.92/sf
Est. Annual Utility Cost:	\$ 25,485.60	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 20,024.40</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$207,889.68	@ \$11.42/sf

Current Amount: 18,204 Square Feet

Annual Rent & CPI Adjustment:	\$149,720.12	@ \$ 8.22/sf
Est. Annual Utility Cost:	\$ 25,485.60	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 20,024.40</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$195,230.12	@ \$10.76/sf

Type: New Lease – Negotiated – Intergovernmental

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None – County-owned Facility/Multi-tenant

Lessor: Montgomery County Government

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Campbell County – 600-5<sup>th</sup> Street, Jellico, TN – Trans. No. 04-03-904 (JS)**

Purpose: To provide office and related space for county operations.

Term: September 1, 2005 thru August 31, 2015 (10 yrs.)

Proposed Amount: 3,600 Square Feet

Annual Contract Rent:	\$38,280.00	@\$10.63/sf
Est. Annual Utility Cost:	\$ 5,040.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,960.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$47,280.00	@\$13.13/sf

Current Amount: 1,800 Square Feet

Annual Contract Rent:	\$17,640.00	@\$ 9.80/sf
Est. Annual Utility Cost:	\$ 2,520.00	@\$ 1.40/sf
Est. Janitorial Cost:	<u>\$ 1,980.00</u>	<u>@\$ 1.10/sf</u>
Total Annual Effective Cost:	\$22,140.00	@\$12.30/sf

Type: New Lease – Advertisement – Lowest of (3) Proposals from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Year One Only

Lessor: John & Tina Davenport, Current Lessor

Comment: The proposed lease provides (1) the Lessor will construct a 3,600 square foot office building including interior tenant improvements at no additional cost to the State. (2) no cancellation during the first five years of the lease except for cause and/or lack of funding and 180 days notice thereafter, and (3) the State's Option to Purchase during the first year only.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Putnam County – 1000 England Drive, Cookeville, TN – Trans. No. 04-01-900 (RS)**

Purpose: To provide office and related space for consolidation of District and County operations

Term: October 1, 2005 thru September 30, 2015 (10 yrs.)

Proposed Amount: 22,700 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$223,595.00 @\$ 9.85/sf  
Est. Annual Janitorial Cost: \$ 24,970.00 @\$ 1.10/sf  
Total Annual Effective Cost: \$248,565.00 @\$10.95/sf

Current Amount: 16,734 Square Feet (2 Locations)  
Annual Contract Rent: \$102,000.00 @\$6.10/sf  
Est. Annual Utility Cost: \$ 23,427.60 @\$1.40/sf  
Est. Annual Janitorial Cost: \$ 18,407.40 @\$1.10/sf  
Total Annual Effective Cost: \$143,835.00 @\$8.60/sf

Type: New Lease – Advertisement – Lowest of (8) Proposals from (7) Proposers

FRF Rate: \$13.00 Per Square Foot

Purchase Option: None – Multi-tenant Facility

Lessor: South Maple Business Center, LLC

Comment: The proposed lease provide (1) the Lessor will renovate 22,700 square feet of space, including interior tenant build-out, at no additional cost to the State and (2) no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.



DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Hickman County – Highway 100 Centerville, TN – Trans. No. 04-02-912 (TH)**

Purpose: To provide office and related space for the local operations of the Departments of Human Services and Children's Services

Term: September 1, 2005 thru August 31, 2015 (10 yrs.)

Proposed Amount: 8,200 Square Feet

Annual Contract Rent:	\$77,900.00	@ \$ 9.50/sf
Est. Annual Utility Cost:	\$11,480.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,020.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$98,400.00	@ \$12.00/sf

Current Amount: 3,200 Square Feet

Annual Contract Rent:	\$33,000.00	@ \$10.31/sf
Est. Annual Utility Cost:	\$ 4,480.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 3,520.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$41,000.00	@ \$12.81/sf

Type: New Lease – Advertisement – Only Proposal

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Year 1 thru 5, Years 6 thru 10 - Negotiable

Lessor: Pedigo-Centerville, LP, Current Lessor

Comment: The proposed lease provides (1) the Lessor will construct a 5,000 square foot addition to the existing building, including interior tenant build-out, at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding, and (3) the State's Option to Purchase

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 729 Church Street, Nashville, TN Trans. No. 04-09-910 (JS)**

Purpose: To provide office and related space for continued operations of the Bureau of TennCare pending new facility construction being completed.

Term: October 1, 2004 thru July 31, 2005 (10 mos.)

Proposed Amount:

<u>62,000 Square Feet</u>		
Contract Rent Including	<u>10 Months</u>	<u>Annualized</u>
Janitorial Cost:	\$765,155.00	@\$14.81/sf
Est. Utility Cost:	<u>\$ 72,333.33</u>	<u>@\$ 1.40/sf</u>
Total Effective Cost:	\$837,488.33	@\$16.21/sf

Current Amount:

<u>62,000 Square Feet</u>		
Annual Contract Rent	<u>12 Months</u>	<u>Annualized</u>
Incl. Janitorial Cost:	\$ 961,000.00	@\$15.50/sf
Est. Utility Cost:	<u>\$ 86,800.00</u>	<u>@\$ 1.40/sf</u>
Total Annual Effective Cost:	\$1,047,800.00	@\$16.90/sf

Type: New – Lease – Negotiated

FRF Rate: \$18.00 Per Square Foot

Purchase Option: None

Lessor: U.S. General Services Administration

Comment: The proposed lease provides (1) total value of the lease is \$765,155.00 reduced by an allowance for relocation assistance expenses of \$429,476.67 to \$335,678.33 and (2) sixty-days notice of termination for convenience by either party.

SSC Report: 10-18-04. Bob King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 10-25-04. Sub-committee approved the transaction as presented. Final action.

Approved by: \_\_\_\_\_  
M. D. Goetz, Jr., Commissioner  
Department of Finance and Administration